

HINSDALE COUNTY, COLORADO  
FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2019

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**INDEPENDENT AUDITOR'S REPORT**

September 30, 2020

To the Board of County Commissioners  
Hinsdale County, Colorado

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Hinsdale County, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Hinsdale County, Colorado's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Hinsdale County, Colorado, as of December 31, 2019, and the respective changes in financial position, and, where



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applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***.Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–7 and 35–37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hinsdale County, Colorado's basic financial statements. The combining and individual nonmajor fund financial statements, additional budgetary schedules as listed in the table of contents, and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the supplementary budget to actual schedules, the Local Highway Finance Report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the supplementary budget to actual schedules, the Local Highway Finance Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of Hinsdale County, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hinsdale



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County, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hinsdale County, Colorado's internal control over financial reporting and compliance.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
Grand Junction, Colorado

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HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

This management's discussion and analysis of Hinsdale County financial statements provides an overview of the County's financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the County's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the County's overall financial performance.

**USING THE BASIC FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, the supplementary information, and the single audit, if applicable. The basic financial statements include two types of information on the same statement that present different views of the County:

- Government-wide financial statements report information on all of the activities of County and its component units, except for County fiduciary activity.
- Fund financial statements of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses.

**Government-wide Statements**

The government-wide statements include the Statement of Net Position and the Statement of Activities. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

These two statements, the Statement of Net Position and the Statement of Activities, report the County's net position and changes in it. The County's net position—the difference of assets, liabilities, and deferred inflows—are one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the County's property tax base and the condition of the infrastructure, are needed to assess the overall health of the County.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**Fund Financial Statements**

The fund financial statements provide more detailed information about the County's funds, focusing on its most significant funds—not the County as a whole. The County's major governmental funds include the General Fund, the Road and Bridge Fund, and the Sheriff Office Fund.

Governmental funds – The County's activities are reported in twelve governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The Proprietary Fund is accounted for using the accrual basis of accounting as follows:

- Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
- Current-year contributions, administrative expenses, and premium payments, which are not received or paid until the subsequent year, are accrued.

Fiduciary Fund Financial Statements consist of the Trust and Agency Funds and are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

**THE COUNTY AS A WHOLE**

Statement of Net Position

The perspective of the Statement of Net Position is of the County as a whole. Following is a summary of the County's net position for the fiscal years 2018 and 2019.

	2018			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and Other assets	3,693,141	63,721	3,756,862	3,434,429	67,144	3,501,573
Capital Assets	2,329,142	49,977	2,379,119	2,755,039	37,971	2,793,010
Total Assets	6,022,283	113,698	6,135,981	6,189,468	105,115	6,294,583
Long-Term Liabilities outstanding	28,781	0	28,781	23,575	0	23,575
Other Liabilities	297,835	12,731	310,566	211,482	16,716	228,198
Deferred Inflows: Property Taxes	1,081,704	0	1,081,704	1,013,678	0	1,013,678
Total Liabilities and Deferred Inflows	1,408,320	12,731	1,421,051	1,248,735	16,716	1,265,451
Net Position:						
Net investment in Capital Assets	2,329,142	49,977	2,379,119	2,755,039	37,971	2,793,010
Restricted for TABOR	116,448	0	116,448	116,448	0	116,448
Unrestricted	2,168,373	50,991	2,219,364	2,069,246	50,428	2,119,674
Total Net Position	4,613,963	100,968	4,714,931	4,940,733	88,399	5,029,132



HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

The County shows a positive balance in net position. The most significant items on the statement of net position are a decrease in Capital Assets and in Current Assets and a decrease in Total Liabilities.

Statement of Activities

The perspective of the Statement of Activities is of the County as a whole. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues, sales taxes, and general property taxes, as well as other general revenues, resulting in the overall change in net position for the fiscal years 2018 and 2019.

REVENUES:	2018			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues:						
Charges for Services	558,832	186,373	745,205	457,210	193,200	650,410
Grants & Contributions	1,562,003	0	955,748	1,669,190	0	1,669,190
General Revenues:						
Taxes	2,562,706	0	2,562,706	2,655,933	0	2,655,933
Interest & Other Revenue	70,813	0	70,813	243,267	0	243,267
Total Revenues	4,754,354	186,373	4,334,472	5,025,600	193,200	5,218,800
EXPENSES:						
General Government	2,624,956	0	2,624,956	2,449,115	0	2,449,115
Public Safety	589,462	0	589,462	428,505	0	428,505
Health & Welfare	206,541	0	206,541	336,236	0	336,236
Highways & Streets	1,462,735	0	1,462,735	1,428,892	0	1,428,892
Culture & Recreation	75,095	0	75,095	56,082	0	56,082
Transfer Station/Recreation	0	217,999	217,999		205,770	205,770
Interest Expense	0	0	0	0	0	0
Total Expenses	4,958,789	217,999	5,176,788	4,698,830	205,770	4,904,600
Increase (Decrease) in net position:	(204,435)	(31,626)	(238,661)	326,770	(12,570)	314,200
Net Position January 1	4,818,398	133,155	4,951,553	4,613,963	100,968	4,714,931
Prior Period Adj	0	0	0	0	0	0
Net Position January 1 restated	4,818,398	133,155	4,951,553	4,613,963	100,968	4,714,931
Net Position December 31	4,613,963	101,529	4,712,892	4,940,733	88,398	5,029,131

The County's primary sources of revenue are from taxes and grants. These revenues are used to pay the cost of the general government and capital asset improvements.

The County operated at an increase in net position for governmental activities in 2019.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**The County's Major Funds**

The County's procedures in establishing budgetary data reflected in the financial statements are summarized in Note B of the financial statements. An amended budget was adopted by the County during the fiscal year 2019.

**General Fund Budgetary Highlights**

*General Fund Resources (Inflows)*

The County's final revenues in the amount of \$3,119,847 were higher than the budget expectations of \$2,802,930 by \$316,917 due to an increase in Sales Tax and Grant receipts and an insurance claim for Hill 71.

*General Fund Charges to Appropriations (Outflows)*

The County's final expenditures of \$3,174,793 is more than the appropriated budget of \$2,896,954 by \$277,839 due to an increase in expenses for 30 Mile Campground and the expenses incurred with the Avalanche and Flood Prep emergencies.

**Road and Bridge Budgetary Highlights**

*Road and Bridge Fund Resources (Inflows)*

The County's final revenues in the amount of \$1,373,010 were less than the budget expectations of \$1,356,712 by \$16,298 due to a decrease in "Machine Hire for Others" and "Labor". We did however, have an increase in HUTF funds and from sale of excess equipment.

*Road and Bridge Fund Resources (Outflows)*

The County's final expenditures in the amount of \$1,668,368 was less than the budget expectations of \$1,706,822 by \$38,454 mostly due to a decrease in overall payroll in the R/B department.

**Sheriff Budgetary Highlights**

*Sheriff Fund Resources (Inflows)*

The County's final revenues in the amount of \$91,048 were less than the budget expectations of \$152,642 by \$61,594 due to a decrease in Reimbursable revenues and Forest Patrol funds from BLM and FS. The Sheriff fund did receive a transfer from General Fund in the amount of \$435,000.

*Sheriff Fund Resources (Outflows)*

The County's final expenditures of \$480,944 were less than the budget expectations of \$511,915 by \$30,971 due to the department being down a full-time deputy position.

HINSDALE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**CAPITAL ASSETS**

At the end of 2019, the County had a total \$2,755,039 invested in capital assets of governmental activities. The amount of capital assets for business-type activities totalled \$37,971 after accumulated depreciation. See Note E Capital Assets.

**LONG-TERM DEBT**

The balance of Long-Term Debt at the end of 2019 is \$35,180 in Compensated balances.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

HINSDALE COUNTY  
Attn: Lynn McNitt, Accounting and Finance Director  
PO Box 277  
Lake City CO 81235  
PH: 970-944-2225 x 103  
FAX: 970-944-2630  
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## Hinsdale County, Colorado

## Statement of Net Position

December 31, 2019

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		Silver Thread
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 2,015,859	\$ 54,209	\$ 2,070,068	\$ 255,471
Accounts receivable	268,115	12,935	281,050	-
Intergovernmental receivable	-	-	-	71,001
Interfund receivable (payable)	-	-	-	-
Property taxes receivable	1,013,678	-	1,013,678	-
Inventories	136,777	-	136,777	-
Total current assets	<u>3,434,429</u>	<u>67,144</u>	<u>3,501,573</u>	<u>326,472</u>
Noncurrent Assets				
Capital assets:				
Land	857,400	6,327	863,727	-
Construction in progress	12,530	-	12,530	-
Buildings	2,407,357	-	2,407,357	-
Machinery and equipment	2,620,869	274,380	2,895,249	-
Vehicles	1,002,986	-	1,002,986	-
Less accumulated depreciation	<u>(4,146,103)</u>	<u>(242,736)</u>	<u>(4,388,839)</u>	<u>-</u>
Total noncurrent assets	<u>2,755,039</u>	<u>37,971</u>	<u>2,793,010</u>	<u>-</u>
Total Assets	<u>6,189,468</u>	<u>105,115</u>	<u>6,294,583</u>	<u>326,472</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable	151,727	12,016	163,743	5,284
Accrued liabilities	4,764	-	4,764	-
Deposits payable	-	4,700	4,700	-
Unearned grant revenue	43,386	-	43,386	-
Compensated absences	11,605	-	11,605	-
Total current liabilities	<u>211,482</u>	<u>16,716</u>	<u>228,198</u>	<u>5,284</u>
Noncurrent liabilities				
Compensated absences	<u>23,575</u>	<u>-</u>	<u>23,575</u>	<u>-</u>
Total noncurrent liabilities	<u>23,575</u>	<u>-</u>	<u>23,575</u>	<u>-</u>
Total Liabilities	<u>235,057</u>	<u>16,716</u>	<u>251,773</u>	<u>5,284</u>
Deferred inflows				
Property taxes	<u>1,013,678</u>	<u>-</u>	<u>1,013,678</u>	<u>-</u>
<b>Net Position</b>				
Investment in capital assets	2,755,039	37,971	2,793,010	-
Restricted for :				
TABOR	116,448	-	116,448	14,627
Unrestricted	2,069,246	50,428	2,119,674	306,561
Total Net Position	<u>\$ 4,940,733</u>	<u>\$ 88,399</u>	<u>\$ 5,029,132</u>	<u>\$ 321,188</u>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado  
Statement of Activities  
For the year ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Silver Thread
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	TOTAL	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$ 2,449,115	\$ 149,872	\$ 227,903	\$ 867,775	\$ (1,203,565)	\$ -	\$ (1,203,565)	\$ -
Public safety	428,505	97,119	11,402	55,107	(264,877)	-	(264,877)	-
Health and welfare	336,236	43,360	29,973	200,932	(61,971)	-	(61,971)	-
Highways and streets	1,428,892	142,826	262,662	-	(1,023,404)	-	(1,023,404)	-
Culture and recreation	56,082	24,033	13,436	-	(18,613)	-	(18,613)	-
<b>Total Governmental Activities</b>	<b>4,698,830</b>	<b>457,210</b>	<b>545,376</b>	<b>1,123,814</b>	<b>(2,572,430)</b>	<b>-</b>	<b>(2,572,430)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Recreation	30,792	31,441	-	-	-	649	649	-
Transfer station	174,978	161,759	-	-	-	(13,219)	(13,219)	-
<b>Total Business-Type Activities</b>	<b>205,770</b>	<b>193,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,570)</b>	<b>(12,570)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 4,904,600</b>	<b>\$ 650,410</b>	<b>\$ 545,376</b>	<b>\$ 1,123,814</b>	<b>(2,572,430)</b>	<b>(12,570)</b>	<b>(2,585,000)</b>	<b>-</b>
<b>Component unit</b>								
Public Health	\$ 595,899	\$ 41,843	\$ 597,497	\$ -				43,441
<b>General Revenues:</b>								
<b>Taxes:</b>								
					1,013,927	-	1,013,927	-
					88,699	-	88,699	-
					410,418	-	410,418	-
					901,462	-	901,462	-
					241,427	-	241,427	-
					12,186	-	12,186	-
					186,001	-	186,001	-
					45,080	-	45,080	-
					2,899,200	-	2,899,200	-
					326,770	(12,570)	314,200	43,441
					4,613,963	100,968	4,714,931	277,747
					\$ 4,940,733	\$ 88,398	\$ 5,029,131	\$ 321,188

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Balance Sheet  
Governmental Funds

December 31, 2019

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 1,320,255	\$ 587,026	\$ 164,022	\$ 2,071,303
Accounts receivable	202,839	60,744	4,532	268,115
Intergovernmental receivable	-	-	-	-
Property taxes receivable	942,824	54,803	16,051	1,013,678
Due from other funds	20,329	-	-	20,329
Inventory	16,827	119,950	-	136,777
<b>Total assets</b>	<b>2,503,074</b>	<b>822,523</b>	<b>184,605</b>	<b>3,510,202</b>
<b>Liabilities</b>				
Accounts payable	113,010	24,393	14,324	151,727
Accrued liabilities	4,764	-	-	4,764
Unearned revenue	22,500	-	20,886	43,386
Due to pooled cash	-	-	55,444	55,444
Due to other funds	-	-	20,329	20,329
<b>Total liabilities</b>	<b>140,274</b>	<b>24,393</b>	<b>110,983</b>	<b>275,650</b>
<b>Deferred inflows</b>				
Property taxes	942,824	54,803	16,051	1,013,678
<b>Fund balance</b>				
<b>Non-spendable</b>				
Inventory	16,827	119,950	-	136,777
<b>Restricted</b>				
TABOR emergency reserve	116,448	-	-	116,448
Human services	-	-	-	-
Marketing and advertising	-	-	-	-
Open space	19,077	-	8,466	27,543
Retirement	67,538	-	-	67,538
Snow grooming	-	-	-	-
Schools and roads	-	-	28,945	28,945
Road maintenance and construction	-	623,377	-	623,377
Public safety	184,332	-	-	184,332
<b>Assigned</b>				
Capital purchases	-	-	72,458	72,458
<b>Unassigned</b>				
	1,015,754	-	(52,298)	963,456
<b>Total fund balance</b>	<b>\$ 1,419,976</b>	<b>\$ 743,327</b>	<b>\$ 57,571</b>	<b>\$ 2,220,874</b>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Reconciliation of Governmental Fund Balance to  
The Statement of Net Position

December 31, 2019

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Amounts reported for governmental activities on the statement of net position are different because:

Total fund balance - governmental funds		\$	2,220,874
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds			
Cost	\$	6,901,142	
Accumulated depreciation		<u>(4,146,103)</u>	2,755,039
Long-term liabilities including leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences			<u>(35,180)</u>
Total government wide activities net position		\$	<u><u>4,940,733</u></u>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds

For the year ended December 31, 2019

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 1,440,815	\$ 961,073	\$ 99,613	\$ 2,501,501
Intergovernmental revenue	1,363,352	269,111	245,230	1,877,693
Licenses and permits	23,459	-	-	23,459
Interest on investments	43,565	-	-	43,565
Charges for services	182,740	142,826	-	325,566
Reimbursement	55,837	-	-	55,837
Miscellaneous	10,079	-	1,898	11,977
<b>Total Revenues</b>	<b>3,119,847</b>	<b>1,373,010</b>	<b>346,741</b>	<b>4,839,598</b>
<b>Expenditures</b>				
Current expenditures				
General government	2,439,507	-	-	2,439,507
EMS services	246,567	-	-	246,567
Public safety	437,527	-	-	437,527
Health and welfare	-	-	63,228	63,228
Highways and streets	-	1,355,887	-	1,355,887
Culture and recreation	-	-	56,082	56,082
Capital outlay	48,192	312,481	230,859	591,532
<b>Total Expenditures</b>	<b>3,171,793</b>	<b>1,668,368</b>	<b>350,169</b>	<b>5,190,330</b>
Excess (deficiency) of revenue over expenditures	(51,946)	(295,358)	(3,428)	(350,732)
<b>Other financing sources (uses)</b>				
Sale of assets	-	191,512	25,480	216,992
Transfer in	-	-	33,000	33,000
Transfer out	(3,000)	-	(30,000)	(33,000)
<b>Total other financing sources (uses)</b>	<b>(3,000)</b>	<b>191,512</b>	<b>28,480</b>	<b>216,992</b>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(54,946)	(103,846)	25,052	(133,740)
Fund balance at beginning of year	1,474,922	847,173	32,519	2,354,614
Fund balance at end of year	<u>\$ 1,419,976</u>	<u>\$ 743,327</u>	<u>\$ 57,571</u>	<u>\$ 2,220,874</u>

The accompanying footnotes are an integral part of these financial statements.



Hinsdale County, Colorado

Reconciliation of the Statement of Revenues, Expenditures  
And Changes in Fund Balances of the Governmental Funds  
To the Statement of Activities

For the Year ended December 31, 2019

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Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances - total governmental funds			\$ (133,740)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlays	\$ 637,845		
Depreciation expense	<u>(180,957)</u>	456,888	
Capital asset disposals are not recognized in the funds. This is the effect of the difference between proceeds from sale of assets and net book value at disposal			(30,991)
Accrued liabilities for employees compensation benefits are considered long-term liabilities and as such are not recognized in the funds but are recognized in the government-wide financial statements.			
Decrease in compensated absences		<u>34,613</u>	
Change in net position of governmental activities			<u><u>\$ 326,770</u></u>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Statement of Net Position  
Proprietary Funds

December 31, 2019

	Business-type Activities - Enterprise Funds		
	Transfer Station	Recreation	Total
	Fund	Fund	
<b>Assets</b>			
Cash and cash equivalents	\$ 6,571	\$ 47,638	\$ 54,209
Accounts receivable	12,935	-	12,935
Land	291	6,036	6,327
Machinery and equipment	224,013	50,367	274,380
Accumulated depreciation	(202,008)	(40,728)	(242,736)
<b>Total Assets</b>	<b>41,802</b>	<b>63,313</b>	<b>105,115</b>
<b>Liabilities</b>			
Accounts payable	12,016	-	12,016
Deposits payable	4,700	-	4,700
<b>Total Liabilities</b>	<b>16,716</b>	<b>-</b>	<b>16,716</b>
<b>Net Position</b>			
Unrestricted	25,086	63,313	88,399
<b>Total Net Position</b>	<b>\$ 25,086</b>	<b>\$ 63,313</b>	<b>\$ 88,399</b>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Statement of Revenue, Expenses and Changes in Fund Net Position  
Proprietary Funds

For the Year ended December 31, 2019

	Transfer Station Fund	Recreation Fund	Total Current Year
Operating revenues			
Disposal fees	\$ 161,759	\$ -	\$ 161,759
Campground fees	-	31,441	31,441
Total operating revenues	<u>161,759</u>	<u>31,441</u>	<u>193,200</u>
Operating expenses			
Payroll expenses	28,588	70	28,658
Insurance	1,630	366	1,996
Sanitation and maintenance expenses	134,832	25,495	160,327
Supplies	(3,663)	2,384	(1,279)
Depreciation	9,597	2,409	12,006
Miscellaneous	3,994	68	4,062
Total operating expenses	<u>174,978</u>	<u>30,792</u>	<u>205,770</u>
Increase (decrease) in net position	(13,219)	649	(12,570)
Net position at beginning of year	38,305	62,664	100,969
Net position at end of year	<u>\$ 25,086</u>	<u>\$ 63,313</u>	<u>\$ 88,399</u>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Statement of Cash Flows  
Proprietary Funds

For the Year ended December 31, 2019

	Transfer Station Fund	Recreation Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 157,290	\$ 31,441	\$ 188,731
Cash payments to suppliers for goods and services	(136,011)	(28,383)	(164,394)
Cash payments to employees for services	(26,585)	-	(26,585)
Net cash provided (used) by operating activities	<u>(5,306)</u>	<u>3,058</u>	<u>(2,248)</u>
Cash flows from investing activities			
Cash paid for purchase of capital assets	-	-	-
Net increase (decrease) in cash and cash equivalents	(5,306)	3,058	(2,248)
Cash and cash equivalents, beginning of year	11,877	44,580	56,457
Cash and cash equivalents, end of year	<u>\$ 6,571</u>	<u>\$ 47,638</u>	<u>\$ 54,209</u>
Reconciliation of operating income (loss) to net cash Provided (used) by operating activities:			
Income (loss) from operations	\$ (13,219)	\$ 649	\$ (12,570)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	9,597	2,409	12,006
(Increase) decrease in accounts receivable	(5,669)	-	(5,669)
Increase (decrease) in deposits payable	1,200	-	1,200
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	2,785	-	2,785
Net cash provided (used) by operating activities	<u>\$ (5,306)</u>	<u>\$ 3,058</u>	<u>\$ (2,248)</u>

The accompanying footnotes are an integral part of these financial statements.

Hinsdale County, Colorado

Statement of Fiduciary Net Position  
Fiduciary Funds

December 31, 2019

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	<u>Treasurer's Agency Fund</u>
Cash and cash equivalents	<u>\$ 160,959</u>
Due to other governments	<u>\$ 160,959</u>

The accompanying footnotes are an integral part of these financial statements.

Silver Thread Public Health District

Balance Sheet  
General Fund

December 31, 2019

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Assets	
Cash and investments	\$ 255,471
Accounts receivable	71,001
Total assets	<u>326,472</u>
Liabilities	
Accounts payable	<u>5,284</u>
Total liabilities	<u>5,284</u>
Fund balance	
Restricted	
TABOR emergency reserve	14,627
Unassigned	306,561
Total fund balance	<u>\$ 321,188</u>

The accompanying footnotes are an integral part of these financial statements.

Silver Thread Public Health District

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

For the year ended December 31, 2019

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Revenues	
Intergovernmental revenue	\$ 597,477
Charges for services	41,843
Miscellaneous	20
Total Revenues	<u>639,340</u>
Expenditures	
Current expenditures	
Public Health	<u>595,899</u>
Total Expenditures	<u>595,899</u>
Excess (deficiency) of revenue over expenditures	<u>43,441</u>
Fund balance at beginning of year	<u>277,747</u>
Fund balance at end of year	<u>\$ 321,188</u>

The accompanying footnotes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Government Accounting and Financial Reporting Standards*.

1. Reporting Entity

*Primary Government*

The County is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member elected Board of County Commissioners (the Board). There are also five other elected officials – assessor, clerk and recorder, sheriff, district attorney, and treasurer. The treasurer is also the County Public Trustee. The County provides a wide range of services to its residents including public safety, highways and streets, parks and open spaces, health and social services, public improvements, planning, zoning, and general administration.

*Component Unit*

Silver Thread Public Health District (the “District”) was formed in 2016 to provide health information, programs, services, and resources to the residents and visitors of Hinsdale and Mineral Counties. The District is governed by a 5 member board appointed by a committee composed of one commissioner from each of the counties comprising the District. The District is funded through contributions from each of the counties it serves as well as through grants from federal, state and local sources, and through user fees. Hinsdale County provides the District’s facilities, and performs all financial accounting and reporting functions for the District. The County handles all payroll for the District’s employees and its employees participate in the County’s benefit programs. Due to the integration of Silver Thread’s accounting systems, people, and assets with Hinsdale County, management determined that it should be reported as a discretely presented component unit of the County. The District follows the accounting policies of Hinsdale County.

2. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County and its component units, except for County fiduciary activity. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.



NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segments. Taxes and other items not properly included in program revenues are reported as general revenues.

3. Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets, current liabilities, and appropriate deferred inflows. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- The General Fund is the general operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenues for this fund are property taxes, licenses and permits, intergovernmental assistance, and charges for services. Primary expenditures are for functions related to public safety, planning and zoning, property valuation, tax collection, vehicle licensing, document recording, and other County administrative functions. The general fund is reported with the EMS, Sheriff and Retirement sub-funds.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

- The Road and Bridge Fund is a special revenue fund used to account for the maintenance and improvements of streets and highways. The sources of funds include property taxes, highway user fees, and PILT money. By state law, Colorado counties are required to establish a Road and Bridge Fund with a portion of any property taxes assessed for this purpose to be allocated to cities and towns located within that county.

The County also reports six nonmajor governmental funds. These include one capital fund that accumulates resources for ambulance replacements and five special revenues funds, each of which has a restricted revenue sources that is used to fund the purpose of the fund. The special revenue funds are used to account for revenues and expenditures related to human services, tourism, conservation, wildfire prevention, and snow grooming.

The Proprietary Funds are accounted for using the accrual basis of accounting which means that revenues are recognized when earned, and expenses are recognized when the liabilities are incurred. The proprietary funds recognize all long-term liabilities and assets.

Fiduciary Fund Financial Statements consist of the Trust and Agency Fund established to record transactions relating to assets held by the County in a trustee capacity or as an agent for individuals, governmental entities, and non-public organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

4. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include: (1) principal and interest on general long-term debt, which is recognized when due and (2) compensated absences, which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because, generally, they are not measurable until received. Grant revenues are recognized as they are earned.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Position or Equity

*Cash*

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*Investments*

Investments are stated at fair value based on quoted market values, with the exception of money market funds and external investments pools, which are stated at cost, which is equal to fair value.

*Property Taxes*

Property taxes are levied on January 1 based on assessed valuation as of the previous January 1 when an enforceable lien is placed on the property. Property taxes payable in the following year are reported as a receivable on December 31. All current taxes receivable are offset by the full amount of the deferred inflow of property taxes. Taxes are payable in full by April 30, or in two equal installments due February 28 and June 15.

*Receivables*

General receivables are reported at gross unless management has determined that there is a significant amount that will not be collected. The majority of the receivables balance relates to intergovernmental payments for grant reimbursements and receivables for user fees related to EMT services.

*Allowance for doubtful accounts*

The allowance for doubtful accounts is based on the expected collectability of current receivable based on actual historical experience.

*Inter-fund transactions*

There are transactions between funds that are treated as revenues and expenditures if the services provided are reasonably equivalent in value to the amount paid. Transactions that constitute reimbursement of a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Outstanding balances between funds at the end of the year are reported as due to/from other funds.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Position or Equity - continued

*Inventories and Prepaid Items*

Inventory is valued at cost (first-in, first-out). Inventory in the Special Revenue Funds consists of expendable supplies held for use. Reported inventories are reported as non-spendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Inventory policy on government-wide statements is consistent with fund statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The expenditures will be recognized using the consumption method in the period that they benefit.

*Capital Assets*

Capital assets, which include land, buildings and improvements, equipment, construction in progress, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	40
Furniture & Fixtures	7
General Equipment	10
Vehicles	3-5

*Long-Term Obligations*

Long-term debt and other long-term obligations are recorded as liabilities in the Government-wide Financial Statements. In the fund financial statements for governmental fund types, debt proceeds are reported as another financing source. The County does not have any long-term debt at December 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Position or Equity - continued

*Compensated Absences*

County policy allows employees to accumulate unused vacation and sick leave up to certain maximum hours. Retiring employees are paid 100% of unused vacation up to 240 hours, but are not paid for unused sick leave. The County has recorded the accrued liability for the accumulated vacation time as compensated absences in the accompanying financial statements.

*Unearned Revenue*

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

*Deferred inflows*

Deferred inflows of resources represents an acquisition of net position of fund balance that applies to future periods and will not be recognized as an inflow of resources as revenue until applicable. Hinsdale County records property taxes receivable as of December 31 for the subsequent year's tax levy but because this acquisition of net position or fund balance applies to a future period it is offset by a deferred inflow of resources.

*Fund Equity*

In the fund financial statements the following classifications describe the relative strength of the spending constraint.

*Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense and inventory), or is legally or contractually required to be maintained intact.

*Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

*Committed fund balance* – The portion of fund balance constrained for specific purposes according to resolution passed by the County's highest level of decision making authority, the Board of County Commissioners, prior to the end of the current fiscal year. The constraint may be removed or changed only through resolution by the Board of County Commissioners. Commitments are created through adoption and subsequent amendment of the budget.

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

5. Assets, Liabilities, and Net Position or Equity - continued

*Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of County Commissioners or other individuals authorized to assign funds to be used for a specific purpose.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The general fund is the only fund that reports a positive unassigned fund balance.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is County policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

*Use of Estimates*

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**NOTE B - CASH, DEPOSITS, AND INVESTMENTS**

A summary of cash and investments as of December 31, 2019 follows:

Petty cash	\$ 1,625
Cash deposits	471,702
Investments	<u>2,013,171</u>
Total cash and investments	<u>\$ 2,486,498</u>

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	\$ 2,070,068
Agency cash and investments	<u>160,959</u>
Total county cash and investments	<u>2,231,027</u>
Silver Thread Public Health District	
Pooled cash and investments	<u>255,471</u>
Total pooled cash and investments	<u>\$ 2,486,498</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED**

1. Cash Deposits

Colorado State Statutes govern the County's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protections Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Eligibility is determined by state regulations. Amounts on deposits in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

*Custodial Credit Risk- Deposits*

Custodial credit risk is the risk that in the event of the failure of a depository institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At December 31, 2019, the County had bank deposits totaling \$518,805, of this, \$431,580 was covered by FDIC. The remaining balance of \$87,225 was covered by PDPA.

2. Investments

The County's investments are subject to interest rate, credit risk, and concentration of credit risk.

The types of investments which are authorized to be made with County funds are controlled by state statute and the investment policies of the County. Colorado statutes and the County's investment policies specify investment instruments meeting defined rating and risk criteria in which the County may invest:

- Obligations of the United States and certain U.S. Government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE B - CASH, DEPOSITS, AND INVESTMENTS – CONTINUED**

2. Investments - continued

*Credit Risk*

The County's investment policy calls for investment diversification within the portfolio to avoid unreasonable risk inherent in over investing in specific instruments, individual financial institutions or maturities. The County's investment policy allows for the County to invest in local government investment pools. As of December 31, 2019, the local government investment pools (ColoTrust and CSAFE) in which the County had invested, were rated AAAM by Standard & Poor's.

*Interest Rate Risk*

Colorado Revised Statutes limit investment maturities to five years or less from date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The County has no investments with maturities past five years.

The County is invested in Colorado Government Liquid Asset Trust (COLOTRUST), and the Colorado Surplus Asset Fund Trust (CSAFE).

COLOTRUST reports its underlying investments at fair value, CSAFE reports its underlying investments at amortized cost. Both pools are similar to money market funds, with each share valued at \$1, though this is not guaranteed. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. Investments consist of U.S. Treasury bills, notes and note strips, U.S. government agency securities, highly-rated commercial paper and corporate bonds, bank deposits, AAA money market mutual funds, and repurchase agreements collateralized by U.S. Treasury notes. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. All securities owned by each pooled investment are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by each pool investor. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.



Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE D – INTER-FUND ACTIVITY**

The County reports inter-fund balances between many of its funds. The balances resulted from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Inter-fund balances are generally expected to be repaid within one year of the financial statement date.

Inter-fund transfers for the year ended December 31, 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ –	\$ 3,000
Lodging tax	–	30,000
Ambulance Fund	3,000	–
Human Services Fund	30,000	–
	<u>\$ 33,000</u>	<u>\$ 33,000</u>

**NOTE E – CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2019, was a follows:

	<u>Balance December 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2019</u>
<b>GOVERNMENT ACTIVITIES</b>				
Capital assets not being depreciated:				
Land	\$ 857,400	\$ –	\$ –	\$ 857,400
Construction in progress	12,530	–	–	12,530
Total capital assets not being depreciated	<u>869,930</u>	<u>–</u>	<u>–</u>	<u>869,930</u>
Capital assets being depreciated:				
Buildings and Improvements	2,407,357	–	–	2,407,357
Machinery and Equipment	2,553,610	309,474	(242,215)	2,620,869
Vehicles	853,576	328,371	(178,961)	1,002,986
Total capital assets being depreciated	<u>5,814,543</u>	<u>637,845</u>	<u>(421,176)</u>	<u>6,031,212</u>
Less accumulated depreciation:				
Buildings	(1,341,938)	(41,146)	–	(1,383,084)
Machinery and Equipment	(2,272,059)	(81,103)	242,215	(2,110,947)
Vehicles	(741,334)	(58,708)	147,970	(652,072)
Total accumulated depreciation	<u>(4,355,331)</u>	<u>(180,957)</u>	<u>390,185</u>	<u>(4,146,103)</u>
Total Capital Assets being depreciated, net	<u>1,459,212</u>	<u>456,888</u>	<u>(30,991)</u>	<u>1,885,109</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 2,329,142</u>	<u>\$ 456,888</u>	<u>\$ (30,991)</u>	<u>\$ 2,755,039</u>

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

**NOTE E – CAPITAL ASSETS – CONTINUED**

BUSINESS- TYPE ACTIVITIES

Capital assets not be depreciated

Land	\$ 6,327	\$ –	\$ –	\$ 6,327
Total capital assets not be depreciated	<u>6,327</u>	<u>–</u>	<u>–</u>	<u>6,327</u>

Capital assets being depreciated

Equipment	274,380	–	–	274,380
Total capital assets being depreciated	<u>274,380</u>	<u>–</u>	<u>–</u>	<u>274,380</u>

Less accumulated depreciation:

Equipment	(230,730)	(12,006)	–	(242,736)
Capital assets being depreciated, net	<u>43,650</u>	<u>(12,006)</u>	<u>–</u>	<u>31,644</u>

BUSINESS- TYPE ACTIVITIES

CAPITAL ASSETS, NET	<u>\$ 49,977</u>	<u>\$ (12,006)</u>	<u>\$ –</u>	<u>\$ 37,971</u>
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Depreciation expense was charged to functions/ programs of the primary government as follows:

Governmental Activities:

General Government	\$ 43,917
Public Safety	37,594
Health and Welfare	26,441
Highways and Streets	<u>73,005</u>
Total depreciation expense – governmental activities	<u>\$ 180,957</u>

**NOTE F – LONG- TERM LIABILITIES**

Long- term liability balances for the year ended December 31, 2019 were as follows:

	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 69,792	\$ –	\$ (34,612)	\$ 35,180	\$ 11,605
Total Governmental Activities					
Long-term Liabilities	<u>\$ 69,792</u>	<u>\$ –</u>	<u>\$ (34,612)</u>	<u>\$ 35,180</u>	<u>\$ 41,011</u>

**NOTE G – RETIREMENT**

*Pension Plans*

The County is a member of the Colorado Retirement Association (CRA) which offers a defined contribution pension plan 401(a), and a Section 457 deferred compensation plan. CRA was organized in 1966 pursuant to state statutes, and includes counties,

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE G – RETIREMENT – CONTINUED**

municipalities and special districts. Required contributions established by the governing board of the Association.

*Defined Contribution Pension Plan*

Under a defined contribution pension plan, the benefits a participant receives depend solely on the amount contributed to the participant's account plus the returns earned on investments of those contributions.

Participation is mandatory for all employees after one year of employment. Eligible employees contribute four percent (4%) of their base pay which is matched by the County. The plan has a five (5) year vesting period and is distributed upon the employee's termination or retirement. Two (2) additional voluntary plans are also offered. One plan provides for contributions up to ten percent (10%) of an employee's base pay while the other plan provides for deferred compensation in which the employee may tax shelter up to nineteen percent (19%) of their base pay.

During the year, the County's required and actual contributions amounted to \$57,120 which was four percent (4%) of its current year covered payroll of \$1,428,000. The County's total payroll for 2019 was \$1,608,011.

*Deferred Compensation Plan*

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

The accrual basis of accounting is used for the plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The County has no liability for losses under the plan but does have the duty of due care what would be required of an ordinary prudent investor. The County does not administer the plan and is not the Trustee of the plan.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE H – TABOR AMENDMENT RESERVE**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The County believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. The voters of the County have approved a measure that allows the County to retain and spend revenue in excess of the limit.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending. The Emergency Reserve has been presented as restricted fund balance in the General fund. The County is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE I – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

The County mitigates risk through the following self- insurance pools:

The County is exposed to various risks of loss related to property and casualty losses. The County joined together with other counties in the State of Colorado to form the Colorado Counties Casualty and Property Pool (CAPP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CAPP for its property and casualty insurance coverage. The inter-governmental agreement of formation of CAPP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention that is determined each policy year. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

Colorado Workers' Compensation Pool (CWCP)

The County is exposed to various risks of loss related to injuries of employees while on the job. The County has joined together with other counties in the State of Colorado to form the Colorado Workers' Compensation Pool (CWCP), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual contribution to CWCP for its workers' compensation insurance coverage. The inter-governmental agreement of formation of CWCP provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self- insured retention that is determined each policy year.

Hinsdale County, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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**NOTE I – RISK MANAGEMENT - CONTINUED**

There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year of the three prior years.

**NOTE J – COMMITMENTS AND CONTINGENCIES**

The County participates in a member of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time although the County expects any such amounts to be immaterial.

**NOTE K – BUDGET VIOLATIONS**

The County had budget violations in the current year. The General combined with its sub-funds was over budget by \$277,839, Human Services fund was over budget by \$948, the Lodging Tax fund was over budget by \$376, and the Recreation Fund by \$194.

**NOTE L – SUBSEQUENT EVENTS**

A national emergency was declared in March 2019 in response to the COVID-19 pandemic, which closed down significant parts of the economy. The full economic effects of this are not known at the issuance of these financial statements, but it is expected to be significant.

REQUIRED SUPPLEMENTAL INFORMATION

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,064,962	\$ 2,064,962	\$ 1,440,815	\$ (624,147)
Intergovernmental	408,464	408,464	1,363,352	954,888
Licenses and permits	134,323	134,323	23,459	(110,864)
Interest on investments	8,700	8,700	43,565	34,865
Charges for services	144,910	144,910	182,740	37,830
Reimbursement	75,460	75,460	55,837	(19,623)
Miscellaneous	(33,889)	(33,889)	10,079	43,968
Total revenues	<u>2,802,930</u>	<u>2,802,930</u>	<u>3,119,847</u>	<u>316,917</u>
Expenditures				
Current expenditures				
General government	2,124,313	2,124,313	2,439,507	(315,194)
EMS services	-	-	246,567	(246,567)
Public Safety	698,428	698,428	437,527	260,901
Capital outlay	26,213	26,213	48,192	(21,979)
Total expenditures	<u>2,848,954</u>	<u>2,848,954</u>	<u>3,171,793</u>	<u>(322,839)</u>
Excess (deficiency) of revenues over (under) expenditures	(46,024)	(46,024)	(51,946)	(5,922)
Other financing sources (uses)				
Transfer in (out)	(48,000)	(48,000)	(3,000)	45,000
Total other financing sources (uses)	<u>(48,000)</u>	<u>(48,000)</u>	<u>(3,000)</u>	<u>45,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(94,024)	(94,024)	(54,946)	39,078
Beginning fund balance	<u>1,474,922</u>	<u>1,474,922</u>	<u>1,474,922</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,380,898</u>	<u>\$ 1,380,898</u>	<u>\$ 1,419,976</u>	<u>\$ 39,078</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Road and Bridge Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 819,876	978,975	\$ 961,073	\$ (17,902)
Intergovernmental	295,450	269,737	269,111	(626)
Charges for services	210,000	108,000	142,826	34,826
Total revenues	<u>1,325,326</u>	<u>1,356,712</u>	<u>1,373,010</u>	<u>16,298</u>
Expenditures				
Current expenditures				
Highways and streets	1,227,768	1,391,822	1,355,887	35,935
Capital outlay	37,500	315,000	312,481	2,519
Total expenditures	<u>1,265,268</u>	<u>1,706,822</u>	<u>1,668,368</u>	<u>38,454</u>
Excess (deficiency) of revenue over (under) expenditures	60,058	(350,110)	(295,358)	54,752
Other financing sources (uses)				
Sale of assets	55,000	191,963	191,512	(451)
Total other financing sources (uses)	<u>55,000</u>	<u>191,963</u>	<u>191,512</u>	<u>(451)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	115,058	(158,147)	(103,846)	54,301
Beginning fund balance	847,173	847,173	847,173	-
Fund balance at end of year	<u>\$ 962,231</u>	<u>\$ 689,026</u>	<u>\$ 743,327</u>	<u>\$ 54,301</u>



NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

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**NOTE RSI 1 – BUDGETARY INFORMATION**

Hinsdale County follows the procedures set for them in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff, which shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the County. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Any increases or decreases to the adopted budget at the fund level require that an amended or supplemental budget be approved by the Board of County Commissioners through formal resolution at a public meeting, with prior notice of the proposed changes.

All budget amounts presented in the accompanying supplementary information reflect the original and final budget amounts.

SUPPLEMENTAL INFORMATION

Hinsdale County, Colorado

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2019

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 49,831	\$ -	\$ 24,592	\$ 72,458	\$ 8,466	8,675	\$ 164,022
Accounts receivable	-	-	4,532	-	-	-	4,532
Property taxes receivable	-	16,051	-	-	-	-	16,051
<b>Total assets</b>	<b>49,831</b>	<b>16,051</b>	<b>29,124</b>	<b>72,458</b>	<b>8,466</b>	<b>8,675</b>	<b>184,605</b>
<b>Liabilities</b>							
Due to pooled cash	-	55,443	-	-	-	1	55,444
Unearned revenue	20,886	-	-	-	-	-	20,886
Accounts payable	-	14,323	-	-	-	1	14,324
Due to other funds	-	-	20,329	-	-	-	20,329
<b>Total liabilities</b>	<b>20,886</b>	<b>69,766</b>	<b>20,329</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>110,983</b>
<b>Deferred inflows</b>							
Property taxes	-	16,051	-	-	-	-	16,051
<b>Fund Balance</b>							
<b>Restricted</b>							
Open space	-	-	-	-	8,466	-	8,466
Snow grooming	-	-	-	-	-	8,673	8,673
Schools and roads	28,945	-	-	-	-	-	28,945
<b>Assigned</b>							
Ambulance replacement	-	-	-	72,458	-	-	72,458
Marketing and advertising	-	-	8,795	-	-	-	8,795
<b>Unassigned</b>							
	-	(69,766)	-	-	-	-	(69,766)
<b>Total Fund Balances</b>	<b>\$ 28,945</b>	<b>\$ (69,766)</b>	<b>\$ 8,795</b>	<b>\$ 72,458</b>	<b>\$ 8,466</b>	<b>\$ 8,673</b>	<b>\$ 57,571</b>

Hinsdale County, Colorado

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds

For the Year Ended December 31, 2019

	Title III Fund	Human Services Fund	Lodging Tax Fund	Ambulance Replacement Fund	Conservation Trust Fund	Snow Grooming Fund	Total Non-Major Governmental Funds
Revenues							
Taxes	\$ -	\$ 17,460	\$ 82,153	\$ -	\$ -	\$ -	\$ 99,613
Intergovernmental revenue	15,420	-	-	200,932	4,845	24,033	245,230
Miscellaneous	466	-	-	1,186	-	246	1,898
Total revenues	<u>15,886</u>	<u>17,460</u>	<u>82,153</u>	<u>202,118</u>	<u>4,845</u>	<u>24,279</u>	<u>346,741</u>
Expenditures							
Current expenditures							
Health and welfare	-	60,948	-	233,139	-	-	294,087
Culture and recreation	2,054	-	43,070	-	-	10,958	56,082
Total expenditures	<u>2,054</u>	<u>60,948</u>	<u>43,070</u>	<u>233,139</u>	<u>-</u>	<u>10,958</u>	<u>350,169</u>
Excess (deficiency) of revenue over expenditures	13,832	(43,488)	39,083	(31,021)	4,845	13,321	(3,428)
Other financing sources (uses)							
Sale of assets	-	-	-	25,480	-	-	25,480
Transfers in	-	30,000	-	3,000	-	-	33,000
Transfers (out)	-	-	(30,000)	-	-	-	(30,000)
Total other financing sources (uses)	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>	<u>28,480</u>	<u>-</u>	<u>-</u>	<u>28,480</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	13,832	(13,488)	9,083	(2,541)	4,845	13,321	25,052
Fund balance at beginning of year	<u>15,113</u>	<u>(56,278)</u>	<u>(288)</u>	<u>74,999</u>	<u>3,621</u>	<u>(4,648)</u>	<u>32,519</u>
Fund balance at end of year	<u>\$ 28,945</u>	<u>\$ (69,766)</u>	<u>\$ 8,795</u>	<u>\$ 72,458</u>	<u>\$ 8,466</u>	<u>\$ 8,673</u>	<u>\$ 57,571</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Title III

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ 15,855	\$ 15,420	\$ (435)
Interest on investments	-	-	466	466
Total revenues	<u>-</u>	<u>15,855</u>	<u>15,886</u>	<u>31</u>
Expenditures				
Culture and recreation	<u>2,054</u>	<u>2,054</u>	<u>2,054</u>	<u>-</u>
Total expenditures	<u>2,054</u>	<u>2,054</u>	<u>2,054</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(2,054)	13,801	13,832	31
Fund balance at beginning of year	<u>15,113</u>	<u>15,113</u>	<u>15,113</u>	<u>-</u>
Fund balance at end of year	<u>\$ 13,059</u>	<u>\$ 28,914</u>	<u>\$ 28,945</u>	<u>\$ 31</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Human Services Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
General property taxes	\$ 18,128	18,511	\$ 16,046	\$ (2,465)
Specific ownership taxes	-	-	1,405	1,405
Delinquent taxes and interest	60	10	9	(1)
Total revenues	<u>18,188</u>	<u>18,521</u>	<u>17,460</u>	<u>(1,061)</u>
Expenditures				
Health and welfare	<u>48,165</u>	<u>60,000</u>	<u>60,948</u>	<u>(948)</u>
Total expenditures	<u>48,165</u>	<u>60,000</u>	<u>60,948</u>	<u>(948)</u>
Excess (deficiency) of revenue over (under) expenditures	(29,977)	(41,479)	(43,488)	(2,009)
Other financing Sources (Uses)				
Transfers In	<u>30,000</u>	<u>100,000</u>	<u>30,000</u>	<u>(70,000)</u>
Total other financing sources (uses)	<u>30,000</u>	<u>100,000</u>	<u>30,000</u>	<u>(70,000)</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	23	58,521	(13,488)	(72,009)
Fund balance at beginning of year	<u>(56,278)</u>	<u>(56,278)</u>	<u>(56,278)</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ (56,255)</u></u>	<u><u>\$ 2,243</u></u>	<u><u>\$ (69,766)</u></u>	<u><u>\$ (72,009)</u></u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Lodging Tax Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Lodging tax	\$ 76,150	\$ 77,621	\$ 82,153	\$ 4,532
Total revenues	<u>76,150</u>	<u>77,621</u>	<u>82,153</u>	<u>4,532</u>
Expenditures				
Culture and recreation	<u>76,150</u>	<u>72,694</u>	<u>43,070</u>	<u>29,624</u>
Total expenditures	<u>76,150</u>	<u>72,694</u>	<u>43,070</u>	<u>29,624</u>
Excess (deficiency) of revenue over expenditures	-	4,927	39,083	34,156
Other financing (uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Excess (deficiency) of revenue over expenditures and other financing (uses)	-	4,927	9,083	4,156
Fund balance at beginning of year	<u>(288)</u>	<u>(288)</u>	<u>(288)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (288)</u>	<u>\$ 4,639</u>	<u>\$ 8,795</u>	<u>\$ 34,156</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Ambulance Replacement Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 219,756	\$ 200,932	\$ 200,932	\$ -
Interest Income	750	1,100	1,186	86
Total revenues	<u>220,506</u>	<u>202,032</u>	<u>202,118</u>	<u>86</u>
Expenditures	<u>223,505</u>	<u>233,139</u>	<u>233,139</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(2,999)	(31,107)	(31,021)	86
Other financing sources (uses)				
Sale of assets	-	25,480	25,480	-
Transfers in (out)	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000</u>	<u>28,480</u>	<u>28,480</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	1	(2,627)	(2,541)	86
Fund balance at beginning of year	<u>74,999</u>	<u>74,999</u>	<u>74,999</u>	<u>-</u>
Fund balance at end of year	<u>\$ 75,000</u>	<u>\$ 72,372</u>	<u>\$ 72,458</u>	<u>\$ 86</u>



Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Conservation Trust Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 4,400	\$ 4,835	4,845	\$ 10
Total Revenues	<u>4,400</u>	<u>4,835</u>	<u>4,845</u>	<u>10</u>
Expenditures	<u>4,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenditures	-	4,835	4,845	10
Fund balance at beginning of year	<u>3,621</u>	<u>3,621</u>	<u>3,621</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,621</u>	<u>\$ 8,456</u>	<u>\$ 8,466</u>	<u>\$ 10</u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Snow Grooming Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Trail maintenance fees	\$ 26,311	\$ 24,033	\$ 24,033	\$ -
Miscellaneous sources	240	240	246	6
Total revenues	<u>26,551</u>	<u>24,273</u>	<u>24,279</u>	<u>6</u>
Expenditures	<u>23,090</u>	<u>13,324</u>	<u>10,958</u>	<u>2,366</u>
Excess (deficiency) of revenue over (under) expenditures	3,461	10,949	13,321	2,372
Fund balance at beginning of year	<u>(4,648)</u>	<u>(4,648)</u>	<u>(4,648)</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ (1,187)</u></u>	<u><u>\$ 6,301</u></u>	<u><u>\$ 8,673</u></u>	<u><u>\$ 2,372</u></u>

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Net Position  
Budget and Actual - Transfer Station Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Disposal fees	\$ 158,900	\$ 164,718	\$ 161,759	\$ (2,959)
Total revenue	<u>158,900</u>	<u>164,718</u>	<u>161,759</u>	<u>(2,959)</u>
Operating expenses:				
Operating expenses	<u>148,609</u>	<u>173,601</u>	<u>165,380</u>	<u>8,221</u>
Total expenses	<u>148,609</u>	<u>173,601</u>	<u>165,380</u>	<u>8,221</u>
Change in net position	10,291	(8,883)	(3,621)	5,262
Net position at beginning of year	<u>38,305</u>	<u>38,305</u>	<u>38,305</u>	<u>-</u>
Net position at end of year, budget basis	<u>\$ 48,596</u>	<u>\$ 29,422</u>	34,684	<u>\$ 5,262</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(9,597)</u>	
Net position at end of year, GAAP basis			<u>\$ 25,087</u>	

Hinsdale County, Colorado

Schedule of Revenues, Expenditures and Changes in Net Position  
Budget and Actual - Recreation Fund

For the Year ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Recreation fees	\$ 33,300	\$ 31,443	\$ 31,441	\$ (1,859)
Total revenues	<u>33,300</u>	<u>31,443</u>	<u>31,441</u>	<u>(1,859)</u>
Operating expenses	22,986	28,190	28,384	(194)
Total expenses	<u>22,986</u>	<u>28,190</u>	<u>28,384</u>	<u>(194)</u>
Change in net position	10,314	3,253	3,057	(1,665)
Net position at beginning of year	<u>60,605</u>	<u>60,605</u>	<u>62,664</u>	<u>2,059</u>
Net position at end of year, budget basis	<u>\$ 70,919</u>	<u>\$ 63,858</u>	65,721	<u>\$ 1,863</u>
Reconciliation to GAAP basis:				
Depreciation expense			<u>(2,409)</u>	
Net position at end of year, GAAP basis			<u>\$ 63,312</u>	

Silver Thread Public Health District

Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual - General Fund

For the year ended December 31, 2019

	Budget Original	Budget Final	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental revenue	\$ 586,042	\$ 634,534	\$ 597,477	\$ (37,057)
Charges for services	22,996	22,996	41,843	18,847
Miscellaneous	2,000	2,000	20	(1,980)
Total Revenues	<u>611,038</u>	<u>659,530</u>	<u>639,340</u>	<u>(20,190)</u>
Expenditures				
Current expenditures				
Public Health	<u>607,607</u>	<u>636,863</u>	<u>595,899</u>	<u>40,964</u>
Total Expenditures	<u>607,607</u>	<u>636,863</u>	<u>595,899</u>	<u>40,964</u>
Excess (deficiency) of revenue over expenditures	<u>3,431</u>	<u>22,667</u>	<u>43,441</u>	<u>20,774</u>
Fund balance at beginning of year	<u>277,749</u>	<u>277,749</u>	<u>277,749</u>	-
Fund balance at end of year	<u>\$ 281,180</u>	<u>\$ 300,416</u>	<u>\$ 321,190</u>	<u>\$ 20,774</u>

Hinsdale County, Colorado

Combining Balance Sheet - General Fund and Sub-Funds

December 31, 2019

	General Fund	EMS Fund	Retirement Fund	Sheriff's Fund	Total Combined General Fund
<b>Assets</b>					
Cash and investments	\$ 1,229,849	\$ (166,295)	\$ 68,025	\$ 188,676	\$ 1,320,255
Accounts receivable	163,900	39,569	-	(630)	202,839
Intergovernmental receivables	-	-	-	-	-
Property taxes receivable	892,378	-	50,446	-	942,824
Due from other funds	20,329	-	-	-	20,329
Inventory	-	16,827	-	-	16,827
<b>Total Assets</b>	<b>2,306,456</b>	<b>(109,899)</b>	<b>118,471</b>	<b>188,046</b>	<b>2,503,074</b>
<b>Liabilities</b>					
Accounts payable	88,767	20,844	-	3,399	113,010
Accrued liabilities	3,962	-	487	315	4,764
Unearned revenue	22,500	-	-	-	22,500
<b>Total Liabilities</b>	<b>115,229</b>	<b>20,844</b>	<b>487</b>	<b>3,714</b>	<b>140,274</b>
<b>Deferred inflows</b>					
Property taxes	892,378	-	50,446	-	942,824
<b>Fund Balance</b>					
<b>Nonspendable</b>					
Inventory	-	16,827	-	-	16,827
<b>Restricted for:</b>					
TABOR	116,448	-	-	-	116,448
<b>Assigned to:</b>					
Public safety	-	-	-	184,332	184,332
Retirement	-	-	67,538	-	67,538
Open space	19,077	-	-	-	19,077
Unassigned	1,163,324	(147,570)	-	-	1,015,754
<b>Total Fund Balance</b>	<b>\$ 1,298,849</b>	<b>\$ (130,743)</b>	<b>\$ 67,538</b>	<b>\$ 184,332</b>	<b>\$ 1,419,976</b>

Hinsdale County, Colorado

Combining Budget to Actual Schedule - General Fund and Sub-Funds

Year ended December 31, 2019

	General Fund			EMS			Retirement Fund			Sheriff's Fund			Combined General Fund		
	Budget Original	Budget Final	Actual	Budget Original	Budget Final	Actual	Budget Original	Budget Final	Actual	Budget Original	Budget Final	Actual	Budget Original	Budget Final	Actual
<b>Revenues</b>															
Taxes	\$ 2,008,165	\$ 2,001,193	\$ 1,381,609	\$ -	\$ -	\$ -	\$ 56,797	\$ 56,027	\$ 59,206	\$ -	\$ -	\$ -	\$ 2,064,962	\$ 2,057,220	\$ 1,440,815
Intergovernmental	332,840	1,182,752	1,208,510	106,048	51,553	83,180	-	-	-	75,624	79,475	71,662	408,464	1,313,780	1,363,352
Licenses and permits	28,275	22,413	23,459	-	-	-	-	-	-	-	-	-	134,323	22,413	23,459
Interest on investments	8,700	43,240	43,565	-	-	-	-	-	-	-	-	-	8,700	43,240	43,565
Charges for services	137,700	138,500	132,238	54,400	54,400	43,360	-	-	-	7,210	10,200	7,142	144,910	203,100	182,740
Reimbursement	10,000	18,582	48,777	-	-	-	-	-	-	11,060	16,644	7,060	75,460	35,226	55,837
Miscellaneous	700	234,392	2,644	2,752	2,752	2,251	4,334	4,334	-	(38,923)	46,323	5,184	(33,889)	287,801	10,079
<b>Total revenues</b>	<b>2,526,380</b>	<b>3,641,072</b>	<b>2,840,802</b>	<b>163,200</b>	<b>108,705</b>	<b>128,791</b>	<b>61,131</b>	<b>60,361</b>	<b>59,206</b>	<b>54,971</b>	<b>152,642</b>	<b>91,048</b>	<b>2,802,930</b>	<b>3,962,780</b>	<b>3,119,847</b>
<b>Expenditures</b>															
Current expenditures															
General government	2,064,313	3,042,135	2,379,853	-	-	-	60,000	60,121	59,654	-	-	-	2,124,313	3,102,256	2,439,507
EMS services	-	-	-	229,930	236,656	246,567	-	-	-	-	-	-	-	236,656	246,567
Public Safety	-	-	-	-	-	-	-	-	-	468,498	468,498	437,527	698,428	468,498	437,527
Capital outlay	5,000	1,708	4,775	-	85,634	-	-	-	-	21,213	43,417	43,417	26,213	130,759	48,192
<b>Total expenditures</b>	<b>2,069,313</b>	<b>3,043,843</b>	<b>2,384,628</b>	<b>229,930</b>	<b>322,290</b>	<b>246,567</b>	<b>60,000</b>	<b>60,121</b>	<b>59,654</b>	<b>489,711</b>	<b>511,915</b>	<b>480,944</b>	<b>2,848,954</b>	<b>3,938,169</b>	<b>3,171,793</b>
Excess (deficiency) of revenue over expenditures	457,067	597,229	456,174	(66,730)	(213,585)	(117,776)	1,131	240	(448)	(434,740)	(359,273)	(389,896)	(46,024)	24,611	(51,946)
Other financing sources (uses)															
Transfers in	-	-	-	68,000	190,000	68,000	-	-	-	435,000	435,000	435,000	435,000	625,000	503,000
Transfer out	(551,000)	(853,108)	(506,000)	-	-	-	-	-	-	-	-	-	(483,000)	(853,108)	(506,000)
<b>Total other financing sources (uses)</b>	<b>(551,000)</b>	<b>(853,108)</b>	<b>(506,000)</b>	<b>68,000</b>	<b>190,000</b>	<b>68,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435,000</b>	<b>435,000</b>	<b>435,000</b>	<b>(48,000)</b>	<b>(228,108)</b>	<b>(3,000)</b>
Excess (deficiency) of revenues over expenditures and other sources (uses)	(93,933)	(255,879)	(49,826)	1,270	(23,585)	(49,776)	1,131	240	(448)	260	75,727	45,104	(94,024)	(203,497)	(54,946)
Beginning fund balance	1,348,675	1,348,675	1,348,675	(80,967)	(80,967)	(80,967)	67,986	67,986	67,986	139,228	139,228	139,228	1,474,922	1,474,922	1,474,922
<b>Fund balance at end of year</b>	<b>\$ 1,254,742</b>	<b>\$ 1,092,796</b>	<b>\$ 1,298,849</b>	<b>\$ (79,697)</b>	<b>\$ (104,552)</b>	<b>\$ (130,743)</b>	<b>\$ 69,117</b>	<b>\$ 68,226</b>	<b>\$ 67,538</b>	<b>\$ 139,488</b>	<b>\$ 214,955</b>	<b>\$ 184,332</b>	<b>\$ 1,380,898</b>	<b>\$ 1,271,425</b>	<b>\$ 1,419,976</b>

## SINGLE AUDIT INFORMATION



Hinsdale County, Colorado

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2019

	Pass through Number	Federal CFDA Number	Amount of Award Expended	Passed Through
US Department of Agriculture				
Passed through Natural Resources Conservation Services (NRCS)				
Emergency Watershed Protection Program	N0819EWP0010012	10.923	\$ 597,288	
Passed through Colorado Department of Treasury				
Schools and Roads - Grants to States				
Title I	30-29-101	10.665	259,137	\$ 131,068
Title III	30-29-101	10.665	15,243	
Total Schools and Road Grants to States			<u>274,380</u>	
Total US Department of Agriculture			<u>871,668</u>	
US Department of the Interior				
Payment in Lieu of Taxes	None	15.226	151,839	
US Department of Health and Human Services				
Passed through Colorado Department of Human Services				
Child Care and Development Block Grant	None	93.575	25,294	
Child Care Mandatory and Matching Funds of the Child Care Development Funds	None	93.596	2,380	
Medical Assistance Program	None	93.778	89	
Temporary Assistance for Needy Families	None	93.558	18,017	
Adoption Assistance	None	93.659	387	
Foster Care Title IV-E	None	93.658	27,260	
Social Services Block Grant	None	93.667	5,998	
Guardianship Assistance	None	93.090	86	
Total US Department of Health and Human Services			<u>79,511</u>	
United States Department of Homeland Security				
Emergency Management Performance Grants		97.042	<u>11,746</u>	
Total Federal Awards			<u>\$ 1,114,764</u>	

Hinsdale County, Colorado

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2019

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**NOTE A – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of Hinsdale County, Colorado (the County). The County's reporting entity is defined in Note A to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The District did not elect to use the 10% de minimis indirect cost rate.

*Pass-through entities*

The County passed through \$131,068 to the local school district in accordance with requirements of the Secure and Rural Schools Grant (CFDA 10.665).

*Basis of accounting*

The accompanying Schedule is presented using the modified accrual basis of accounting.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARD*

September 30, 2020

To the Board of County Commissioners  
Hinsdale County, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Hinsdale County, Colorado, (the County) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 30, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003 that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,



contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

**Hinsdale County, Colorado’s Response to Findings**

The County’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
Grand Junction, Colorado



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

September 30, 2020

To the Board of County Commissioners  
Hinsdale County, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited the Hinsdale County, Colorado's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Hinsdale County, Colorado, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

**Report on Internal Control over Compliance**

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of



requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in

accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
Grand Junction, Colorado

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unmodified Opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u>✓</u>	yes	<u>      </u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>      </u>	yes	<u>✓</u> none reported
Noncompliance material to financial statements noted?	<u>      </u>	yes	<u>✓</u> no

Federal Awards

Internal Control over major programs:			
Material weakness(es) identified?	<u>      </u>	yes	<u>✓</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	<u>      </u>	yes	<u>✓</u> none reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified Opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	<u>      </u>	yes	<u>✓</u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.923	Emergency Watershed Protection Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<u>      </u> yes <u>✓</u> no

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2019

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SECTION II - FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

**Material Weakness**

**2019-001**

Criteria: A complete system of internal control includes the ability of the District's staff to compile financial statements and footnotes in compliance with generally accepted accounting principles as applied to local governments.

Condition: During testing, there were misstatements detected through audit testing that indicate that the client does not have the current ability to compile a full set of GAAP financial statements.

Effect: Balances and disclosures in the financial statements could be misstated if the entity does not have the ability to compile a full set of GAAP financial statements and footnotes.

Cause: The County has a very limited number of employees working in administrations and the staff has not had the time to invest in training in compiling GAAP financial statements.

Recommendations: We recommend that the staff acquire the training necessary to be able to complete a set of GAAP financial statements and to identify information that is required to be reported in the financial statements and footnotes.

View of responsible officials: Management is in agreement.

**Material Weakness**

**2019-002**

Criteria: The County is responsible for establishing and maintaining a system of internal control that will prevent, detect and correct errors in the financial statements in a timely manner to safeguard assets and allow for timely and accurate financial reporting.

Condition: For the year ended December 31, 2019, the County had numerous adjustments detected during the performance of audit procedures.

Effect: Balances and disclosures in the financial statements could be misstated due to errors not being detected and corrected on a timely basis.

Cause: The County has a very limited number of employees working in the administration offices which creates a lack of segregation of duties in the review process.



Recommendations: We recommend that the County creates a processes where reconciliations of the financial records are performed regularly and reviewed by someone other than the person who performed the reconciliation.

View of responsible officials: Management is in agreement

**Material Weakness  
2019-003**

Criteria: 2 CFR Section 200.302 requires accurate, current and complete disclosure of the financial results of programs in accordance with reporting requirements. Per the Compliance Supplement, each recipient must report program outlays and program income on a cash or accrual basis, as prescribed by the federal awarding agency.

Condition: The County has not established documented controls to provide reasonable assurance of the accuracy of the schedule of expenditures of federal awards, required submitted reports or compliance with grant requirements.

Effect: There is uncertainty about the identification of federal programs that should be included in the schedule of expenditures of federal awards.

Cause: The County infrequently is required to prepare a schedule of expenditures of federal awards or to undergo a single audit and therefore has not invested the time in written internal control policies over grant administration and reporting.

Recommendations: We recommend that the County document internal control policies and procedures over its financial accounting processes and policies, including administration and reporting grant activity.

View of responsible officials: Management is in agreement.

Hinsdale County, Colorado

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2019

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SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

Our audit did not disclose any matters required to be reported in accordance with 2CFR 200.516(a).

Hinsdale County, Colorado

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended December 31, 2019

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There are no previous audit findings.



311 N. Henson St. Lake City, Colorado 81235 970-944-2225 www.hinsdalecountycolorado.us

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September 29, 2020

RE: Corrective action plan and summary schedule for 2019 Single Audit findings

Audit Finding: 2019-001

Agency: Hinsdale County

Name of contact person and title: Lynn McNitt, Finance Director

Anticipated completion date: 03/31/2020

Agency's response: Concur

Hinsdale County agrees with this finding and will implement the following:

- The staff will acquire the necessary training to be able to complete a set of GAAP financial statements and identify information that is required to be reported in the financial statements and footnotes.

Audit Finding: 2019-002

Agency: Hinsdale County

Name of contact person and title: Lynn McNitt, Finance Director

Anticipated completion date: 12/31/2020

Agency's response: Concur

Hinsdale County agrees with this finding and will implement the following:

- Hinsdale County will create a process where the reconciliations of the financial records are performed regularly by the County Administrator as well as the Finance Director.

Audit Finding: 2019-003

Agency: Hinsdale County

Name of contact person and title: Lynn McNitt, Finance Director

Anticipated completion date: 12/31/2020

Agency's response: Concur

Hinsdale County agrees with this finding and will implement the following:

- Hinsdale County will develop internal control policies and procedures over its financial accounting processes and policies, including the administration and the reporting of grant activity.
- The training of staff in regards to these new policies and procedures.

Sincerely,



Lynn McNitt  
Hinsdale County  
Finance Director

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO	
	YEAR ENDING (mm/yy):	12/19
This Information From The Records Of: HINSDALE COUNTY	Prepared By:	LYNN MCNITT 970-944-2225

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,248,410
b. Motor Vehicle (from Item I.B.5.)	4,795	3. Road and street services:	
c. Total (a.+b.)	4,795	a. Traffic control operations	58,209
2. General fund appropriations		b. Snow and ice removal	109,561
3. Other local imposts (from page 2)	54,784	c. Other	137,653
4. Miscellaneous local receipts (from page 2)	303,495	d. Total (a. through c.)	1,553,833
5. Transfers from toll facilities		4. General administration & miscellaneous	114,534
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,668,367
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	
7. Total (1 through 6)	363,074	b. Redemption	
<b>Private Contributions</b>		c. Total (a. + b.)	
<b>C. Receipts from State government</b> (from page 2)	908,386	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	262,137	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,533,597	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	1,668,367

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				

**LOCAL HIGHWAY FINANCE REPORT**

STATE: COLORADO

YEAR ENDING (mm/yy):  
DEC 2019

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	54,784	a. Interest on investments	32
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sales of Surplus Property	211,435
4. Licenses		f. Charges for Services	91,348
5. Specific Ownership/Other	4,795	g. Other Misc Receipts	50
6. Total (1. through 5.)		h. Other	
c. Total (a. + b.)	59,579	i. Total (a. through h.)	302,865
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	
	59,579		303,495

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	901,462	1. FHWA (from Item I.D.5.)	
2. State general fund:		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	262,137
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	6,924	d. Federal Transit Administration	
d. Other (Specify) DOLA Grant		e. US Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)		g. Total (a. through f.)	262,137
4. Total (1. + 2. + 3.f)	908,386	3. Total (1. + 2.g)	
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	
	908,386		262,137

**III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			
b. Engineering Costs			
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement And Operation			
(5). Total Construction (1)+(2)+(3)+(4)			
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)			
<i>(Carry forward to page 1)</i>			

Notes and Comments: